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CLERK
U.S. BANKRUPTCY COURT
DISTRICT OF DELAWARE

January 11, 2024

Honorable Judge John Dorsey
824 N Market St
5th Floor, Courtroom 5
Wilmington, DE 19801
Phone: 302-533-3169
Fax: 302-654-2067

Subject: Case 22-11068-JTD Objection to FTX Plan to Dollarize November 11, 2022 Customer Claims

Honorable Judge John Dorsey,

I am writing to express my strong opposition to the proposed plan by FTX to dollarize customer claims at the price points of November 11, 2022, as it unfairly disadvantages customers and prioritizes certain creditors at their expense. This plan not only unfairly shortchanges customers due to significant market recovery since then, but it also fails to deliver on the basic principle of returning stolen property in its original form.

Unfair Valuation:

Significant Price Depreciation: Since November 11, 2022, the value of core FTX-traded assets (BTC, ETH, SOL) has experienced substantial appreciation:

Bitcoin (BTC): Increased by 188%, from \$16,871.63 to \$49,012.90.

Ethereum (ETH): Increased by 112%, from \$1,258.84 to \$2,666.29.

Solana (SOL): Increased by 546%, from \$16.2471144 to \$105.34.

Ignoring Market Recovery: By fixing claim values at artificially low November 11th prices, the plan disregards the significant market recovery since then, effectively shortchanging customers from potentially higher recoveries.

Furthermore, Alameda Research, FTX VCs, and buyers of unsecured non-customer claims stand to benefit disproportionately from this under-valuation, receiving additional value through potentially discounted purchases.

In my case, I invested \$42,000 into my FTX.US account and had it all stolen. According to the accounts valuation holdings that were on the Debtors website (<https://claims.ftx.com/>) I had left in my account the following currency and coins:

Coin	Subaccount Balance	Proposed Nov 11 2022 Price	Current Price as of Jan 11, 2024	Potential Profit to FTX	
USD	9729.2	\$9,729.20	\$9,729.20	\$ -	Let's hope they don't devalue actual cash holdings
Bitcoin (BTC)	0.4498055	\$16,871.63	\$49,012.90	\$32,141.27	
Ethereum (ETH)	7.997	\$1,258.84	\$2,666.29	\$1,407.45	
Solana (SOL)	9.99	\$16.25	\$105.34	\$89.09	
Bitcoin Cash (BCH)	9.99	\$0.00	\$96.62	\$96.62	
Ethereum Classic (ETHW)	7.997	\$0.00	\$24.49	\$24.49	
Dogecoin (DOGE)	149.85	\$0.00	\$0.09	\$0.09	
		\$18,146.72	\$51,905.73	\$33,759.01	my additional potential loss

Alternative Solutions:

I urge the court to consider solutions that provide fairer outcomes for all creditors, for example:

1. **Tracing and Recovery:** If possible, tracing the stolen assets and returning them directly to customers.

Imagine if FTX had physically stolen a 1-ounce gold Krugerrand coin. They wouldn't be allowed to simply return the depreciated value based on the day of theft. You would expect the gold coin itself to be returned, or if that's impossible, fair market value at the time of recovery. Crypto assets, while digital, are increasingly recognized as property with legal protections, and the same principle applies here. If FTX allegedly stole our holdings, we deserve either their return in their original form, or compensation reflecting their true market value at the time of recovery, not a fixed, disadvantageous valuation based on a market artificially depressed by FTX's own actions.

The November 11th price point reflects a market crippled by FTX's alleged theft and mismanagement. Fixing customer claims at that point only benefits the perpetrators and their allies, while unfairly victimizing customers all over again. I request a truly equitable recovery process that considers:

2. **Dynamic Valuation:** Employing a rolling valuation window based on market prices within a defined timeframe closer to the bankruptcy date could capture a more accurate representation of asset value. Utilizing a rolling valuation window closer to the recovery date to capture the true market value at the time of asset retrieval.
3. **Independent Pricing Mechanism:** Employing an independent pricing mechanism, free from potential manipulation by FTX or its affiliates, to ensure fair market assessment.
4. **Claims Auction:** Implementing an auction for customer claims would allow open market competition to determine their true value, potentially securing higher returns for customers.

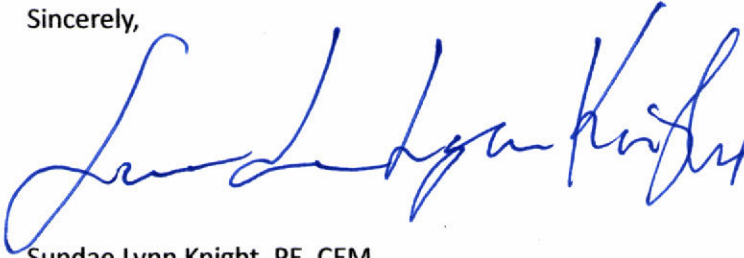
The proposed dollarization plan raises serious concerns about fairness and transparency. I implore the court to reject it and pursue solutions that prioritize recovering maximum value for all creditors, especially FTX's customers who have borne the brunt of the exchange's collapse.

These solutions uphold the principle of returning stolen property in its true form, delivering a more just outcome for all FTX customers.

Therefore, I implore the court to reject the current plan and pursue alternative solutions that prioritize recovering maximum value for all creditors, especially customer claims, who have borne the brunt of FTX's collapse.

Thank you for your time and consideration.

Sincerely,



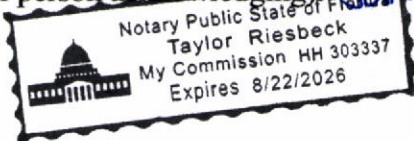

Sundae Lynn Knight, PE, CEM
4230 P. Cushion St
North Port FL 34286

In an Individual Capacity:


Pursuant to Section 117.05(13)(a), Florida Statutes, the following notarial certificates is sufficient for an acknowledgment in an individual capacity.

STATE OF FLORIDA, COUNTY OF Sarasota

The foregoing instrument was acknowledged before me this 11 day of January 20 24, by
(name of person acknowledging) Sundae Lynn Knight



(NOTARY SEAL)

(Signature of Notary) 

(Printed Name) Taylor Riesbeck

Personally Known _____ OR Produced Identification ☒

Type of Identification Produced Drivers License

Sundae Knight
4230 Pincushion St
North Port FL 34286

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